



November 14, 2017

The Honorable Kevin Brady  
Chairman  
House Ways and Means Committee  
1102 Longworth HOB  
Washington, D.C. 20515

Dear Chairman Brady:

On behalf of the National Automobile Dealers Association (NADA) and our 16,500 franchised new car and truck dealer members who employ more than 1.1 million people, NADA is pleased to support H.R. 1, the Tax Cuts and Jobs Act. The total sales of the nation's franchised auto and truck dealers comprise approximately 18 percent of retail sales nationwide, making a pro-growth tax code essential to maintain the jobs and investments that automotive retailing provides to drive the economy at the local, state and national levels.

The Tax Cuts and Jobs Act approved by the Ways and Means Committee contains several important provisions for Main Street businesses. In particular, the Committee recognized the importance of preserving interest deductibility for floor plan financing for businesses that rely on this financing tool to sustain employment and economic growth in local communities. Floor plan financing is a highly specialized credit facility that is different from other types of bank financing.

H.R. 1 would preserve 100-percent deductibility of floor plan interest for retailers who sell automobiles, trucks, recreational vehicles, motorcycles, boats, farm equipment or machinery, or construction machinery or equipment. Access to affordable floor plan financing enables independent small businesses to purchase high-cost vehicles and equipment from manufacturers to provide a broad choice of inventory to customers at thousands of retail locations across America. Moreover, preserving 100-percent deductibility of floor plan interest will avoid the unintended consequence of exacerbating a down cycle in the highly cyclical automobile and heavy-duty truck industries.

NADA appreciates your leadership and supports passage of H.R. 1 by the House of Representatives.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter K. Welch", written in a cursive style.

Peter K. Welch  
President and CEO

cc: Bill Wolters, President, Texas Automobile Dealers Association